



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 19, 1998

Lon Thomas
American Stone
4040 South 300 West
Murray, Utah 84107

Re: Formal Approval of Form and Amount of *Interim* Reclamation Surety, American Stone, Peoa Blonde and Heber Quarries, M/043/012 and M/051/001, Summit and Wasatch Counties, Utah

Dear Mr. Thomas:

On October 16, 1998, the Division Director, Lowell P. Braxton, approved the form and amount of *interim* reclamation sureties for your Peoa Blonde and Heber Quarries. The reclamation sureties in the amount of \$25,000 and \$28,000 respectively, are in the form of Certificates of Deposit and # issued by First Security Bank. We hereby notify you of our acceptance of these *interim* sureties which will remain in place until the large mining permit applications for these two operations are received and approved by the Division. The surety amounts will be adjusted accordingly (up or down) based upon the final reclamation requirements of the approved plans.

Enclosed please find one of three signed original copies of the Certificate of Deposit cover letters along with a carbon copy of the actual certificates for your files. We will keep the second original copy and forward the third original copy to First Security Bank. We will retain the two original Certificates of Deposit in our secured bond file. Signed Reclamation Contract agreements (Form MR-RC) will need to be completed and filed with our office, along with the final reclamation surety amounts, upon approval of the large mining permit applications. We will forward copies of these Reclamation Contract forms to you after we receive your new permit applications for both quarries.

Thank you for your cooperation in providing these interim sureties. You are reminded that mining activities must be restricted to the current extent of surface disturbance associated with each of these quarries. Further expansion of the existing disturbance is prohibited until the large mining applications are approved by the Division. Please call me if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure

cc: Lori Otero, First Security Bank
M043/012.icd



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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 8, 1998

First Security Bank
405 South Main
Salt Lake City, Utah 84110

Attention: Lori Otero, Manager

Re: Certificate of Deposit for American Stone, Peoa Blonde Mine, M/043/012, Summit County, Utah

This is in regards to regulatory requirements of the mining statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the operations and reclamation of the Peoa Blonde Mine, Permit Number M/043/012, operated by American Stone.

A Certificate of Deposit will be issued by First Security Bank for \$25,000 and be automatically renewable upon expiration. The Certificate should be made out in the name of the State of Utah, Division of Oil, Gas and Mining. The interest earned by the Certificate of Deposit for the first three months will be added back on to the Certificate of Deposit. After that, the interest earned will be dispersed quarterly and deposited into American Stone's account. If the Certificate is redeemed before the maturity date and the penalty reduces the face value of \$25,000, the State of Utah, Division of Oil, Gas and Mining will go to American Stone for reimbursement of that loss. If redeemed after the maturity date, then \$25,000 will go to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will go to American Stone's account. The Certificate of Deposit can only be redeemed by the State of Utah, Division of Oil, Gas and Mining.

If the statute or rules of the State of Utah, Division of Oil, Gas and Mining are violated with respect to the operation or reclamation of the Peoa Blonde Mine covered by this surety, the State of Utah, Division of Oil, Gas and Mining has the authority to call the Certificate on demand, for the full amount of \$25,000. Any loss due to an early redemption penalty will be the responsibility of American Stone and will not be the expense or responsibility of the State of Utah.

The Division Director's signature, Lowell P. Braxton (or the appropriate Division Director at that time), will be required to call the Certificate or release said funds back to American Stone.

First Security Bank will not be held liable for any dispute between the parties. These rules pertain to the Certificate of Deposit Number: ____.

Agreed upon by:

Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Lon Thomas, President
American Stone

Tax I.D. Number: 87-6000545

Tax I.D. Number: 87-0320130

First Security Bank Bank, N.A.

Office: Fourth South Metro Branch

Date: 09211998

Account Number:

Owner(s): AMERICAN STONE THOMAS 870320130
STATE OF UTAH - PEOA

You have deposited \$ 25,000.00 into a First Security Bank MONEY MASTER INSURED-Certificate-Fixed Rate
for a term of 24 MONTHS with a maturity date of 09212000 . The interest rate is 5.390 % with an
annual percentage yield of 5.500 %. The annual percentage yield was calculated, using the terms you requested, with the interest
compounded QUARTERLY , paid QUARTERLY , by depositing to the account

Thank you for opening a Time Deposit Account with First Security Bank.

Opened by: Allison Knudson

Flex Option - Allison Knudson
This is a receipt for funds you have placed on deposit with First Security Bank. It need not be presented when you wish to withdraw funds from your account. Your account is subject to the terms stated above and to the following conditions. The terms "we", "our" and "us" mean First Security Bank.

SPECIFIC ACCOUNT CONDITIONS☒ **Money Master Insured Certificate of Deposit Account - Fixed Rate**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new interest rate and annual percentage yield may be assigned when the deposit renews, which will remain fixed until the next maturity date. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits to this account are not permitted except at maturity.

☐ **Money Master Insured Certificate of Deposit Account - Variable Rate**

- The interest rate and annual percentage yield on this account may change at any time at our discretion.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new, variable interest rate and annual percentage yield may be assigned when the deposit renews. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits of at least \$100 may be made to this account at any time. Deposits by an automatic transfer from a First Security Bank checking or savings account may be made in any amount.

☐ **Special Day Certificate of Deposit Account**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from fourteen (14) days to five (5) years. The specific term you have chosen is disclosed above.
- This account will not automatically renew at maturity. If you do not renew the account, your deposit will be placed in a non-interest earning account. No interest will be paid after final maturity.
- A deposit of at least \$500 is required to open this account unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a deposit of at least \$10,000 is required to open the account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a daily balance of at least \$10,000 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than this minimum balance requirement.
- Additional deposits to this account are not permitted.